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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 8, 2016

CERTIFIED RETURN RECEIPT

7015 0640 0001 4528 7994

Julie B. Clark
Emery Minerals LLC
1758 South 900 East
Salt Lake City, Utah 84105

Subject: Review of Reclamation Surety, Robert L Clark, Emery Minerals LLC Clark 1/Emeride Mine, S/015/0053, Emery County, Utah

Dear Ms. Clark:

The last reclamation cost estimate for the Clark 1/Emeride Mine was done in 2011 and escalated to 2016 dollars with a bond escalation date of July 9, 2016. As such, the surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$11,900 to \$14,100 or \$14,200 for an escalation period of 3 or 5 years respectively. The average reclamation costs are outlined below:

| <i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i> | | | |
|--|-------------|------------------|--------------------|
| <i>Clark 1/Emeride Mine</i> | | | |
| <i>3-year escalation (2018)</i> | | | |
| Item | Qty | Unit Cost | Total Cost |
| 1st Acre Disturbance | 1 | \$7,700.00 | \$7,700.00 |
| Add'l Acres Disturbance | 0 | \$0.00 | \$0.00 |
| Portal Closure | 1 | \$5,000.00 | \$5,000.00 |
| General Mob/demob >50 miles | 1 | \$1,400.00 | \$1,400.00 |
| TOTAL | 1 Ac | | \$14,100.00 |
| <i>5-year escalation (2020)</i> | | | |
| Item | Qty | Unit Cost | Total Cost |
| 1st Acre Disturbance | 1 | \$7,800.00 | \$7,800.00 |
| Add'l Acres Disturbance | 1 | \$0.00 | \$0.00 |
| Portal Closure | 1 | \$5,000.00 | \$5,000.00 |
| General Mob/demob >50 miles | 1 | \$1,400.00 | \$1,400.00 |
| TOTAL | 1 Ac | | \$14,200.00 |

Robert L Clark
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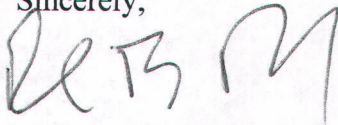
Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by email at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of a CD with Zions Bank. Please increase the amount in the current CD by the required amount. You may also submit a letter of credit, surety bond, or add a cash deposit. Bonding forms are available on the Internet at http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801-538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than August 8, 2016.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,



Paul B. Baker
Mining Program Manager